STATE OF TENNESSEE
AIR POLLUTION CONTROL BOARD
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
NASHVILLE, TENNESSEE 37243-1531

Operating Permit Issued Pursuant to Tennessee Air Quality Act

Date Issued: July 21, 2014

Permit Number: 068937P

Date Expires: July 20, 2024

Issued To:
Lincoln County Board of Public Utilities
Water Pump Station

Installation Address:
1080 Highway 110
Fayetteville

Installation Description:
One 174 hp Diesel Engine
Emergency Generator

Emission Source Reference No.
52-0113-01
NESHAP Subpart ZZZZ

The holder of this permit shall comply with the conditions contained in this permit as well as all applicable provisions of the Tennessee Air Pollution Control Regulations.

CONDITIONS:

1. The application that was utilized in the preparation of this permit is dated July 8, 2014, and signed by Ronnie Braden, Superintendent for the permitted facility. If this person terminates employment or is assigned different duties and is no longer the responsible person to represent and bind the facility in environmental permitting affairs, the owner or operator of this air contaminant source shall notify the Technical Secretary of the change. Said notification shall be in writing and submitted within thirty (30) days of the change. The notification shall include the name and title of the new person assigned by the source owner or operator to represent and bind the facility in environmental permitting affairs. All representations, agreement to terms and conditions and covenants made by the former responsible person that were used in the establishment of limiting permit conditions on this permit will continue to be binding on the facility until such time that a revision to this permit is obtained that would change said representations, agreements and covenants.

(Conditions continued on next page)

Barry R. Stephens
TECHNICAL SECRETARY

No Authority is Granted by this Permit to Operate, Construct, or Maintain any Installation in Violation of any Law, Statute, Code, Ordinance, Rule, or Regulation of the State of Tennessee or any of its Political Subdivisions.

NON-TRANSFERABLE

POST AT INSTALLATION ADDRESS

2. The design rated power for this compression ignition engine is 174 horsepower. This source is not subject to the requirements of 40 CFR part 60 Subpart IIII. This source is subject to the requirements of 40 CFR part 63 Subpart ZZZZ.

3. Only No. 2 fuel oil and diesel fuel shall be used as fuels for this source.

4. Nitrogen Oxides (NOx) emitted from this source shall not exceed 5.4 pounds per hour (lb/hr). TAPCR 1200-03-07-.07(2)

5. Compliance with the emission limit in **Condition 4** is based on compliance with **Conditions 2 and 3** of this permit and AP-42, Chapter 3, Section 3, emission factors.

6. The maximum heat input for this source shall not exceed 1.2 million Btu per hour. TAPCR 1200-03-09-.01(1)(d) and the application dated March 14, 2014.

7. Particulate Matter (TSP) emitted from this source shall not exceed 0.6 lb/MMBtu (0.7 pound per hour). Compliance with this emission limit shall be assured by compliance with **Conditions 3 and 6** of this permit.

   TAPCR 1200-03-06-.02(2)(a)

8. Table 2d to Subpart ZZZZ of Part 63—Requirements for Existing Stationary RICE Located at Area Sources of HAP Emissions:

For each . . .	**You must meet the following requirement, except during periods of startup . . .**	**During periods of startup you must . . .**
Emergency stationary CI RICE	a. Change oil and filter every 500 hours of operation or annually, whichever comes first;1; b. Inspect air cleaner every 1,000 hours of operation or annually, whichever comes first, and replace as necessary; and c. Inspect all hoses and belts every 500 hours of operation or annually, whichever comes first, and replace as necessary.	Minimize the engine's time spent at idle and minimize the engine's startup time at startup to a period needed for appropriate and safe loading of the engine, not to exceed 30 minutes, after which time the non-startup emission limitations apply.

9. On the permit application dated March 4, 2014, the permittee stated this is an emergency generator; therefore based on EPA’s policy the potential emissions were calculated using 500 hours per calendar year.

10. Visible emissions from this source shall not exhibit greater than twenty percent (20%) opacity, except for one (1) six-minute period in any one (1) hour period, and for no more than four (4) six-minute periods in any twenty-four (24) hour period. Visible emissions from this source shall be determined by EPA Method 9, as published in the current 40 CFR 60, Appendix A (six-minute average).
    TAPCR 1200-03-05-.03(6) and TAPCR 1200-03-05-.01(1)

11. This source's existing (built prior to June 12, 2006) emergency stationary CI RICE is subject to 40 CFR Part 63, Subpart ZZZZ, **NATIONAL EMISSION STANDARDS FOR HAZARDOUS AIR POLLUTANTS FOR STATIONARY RECIPROCATING INTERNAL COMBUSTION ENGINES**, including any and/or all applicable emission limitations, notifications, compliance options, records, reports, etc., including, but not limited to the requirements as referenced in **(a) through (g) below**.

(a) Pursuant to 40 CFR §63.6605, the permittee must be in compliance with the applicable emission limitations, operating limitations, and other requirements in subpart ZZZZ at all times. At all times the permittee must operate and maintain any affected source, including associated air pollution control equipment and monitoring equipment, in a manner consistent with safety and good air pollution control practices for minimizing emissions. The general duty to minimize emissions does not require the permittee to make any further efforts to reduce emissions if levels required by this standard have been achieved. Determination of whether such operation and maintenance procedures are being used will be based on information available to the Technical Secretary which may include, but is not limited to, monitoring results, review of operation and maintenance procedures, review of operation and maintenance records, and inspection of the source.

(b) Pursuant to 40 CFR §63.6625(e)(3), the permittee must operate and maintain the stationary RICE and after-treatment control device (if any) according to the manufacturer's emission-related written instructions, or develop a maintenance plan which must provide to the extent practicable for the maintenance and operation of the engine in a manner consistent with good air pollution control practice for minimizing emissions.

(c) Pursuant to 40 CFR §63.6625(f), the permittee must install a non-resettable hour meter to each emergency engine if one is not already installed.

(d) Pursuant to 40 CFR §63.6625(h), the permittee must minimize each engine's time spent at idle during startup and minimize each engine's startup time to a period needed for appropriate and safe loading of the engine, not to exceed 30 minutes, after which time the emission standards applicable to all times other than startup apply.

(e) Pursuant to 40 CFR §63.6640(f), the permittee must operate each emergency stationary RICE according to the requirements in (1) through (3) below in order for the engines to be considered emergency stationary RICE under subpart ZZZZ. Any operation other than emergency operation, maintenance and testing, emergency demand response, and operation in nonemergency situations for 50 hours per year, as described in (1) through (3) below, is prohibited. If any engine is not operated according to the requirements in (1) through (3) below, the engine will not be considered an emergency engine under subpart ZZZZ and must meet all requirements for non-emergency engines.

(1) There is no time limit on the use of emergency stationary RICE in emergency situations.

(2) The permittee may operate each emergency stationary RICE for any combination of the purposes specified in (i) through (iii) below for a maximum of 100 hours per calendar year. Any operation for non-emergency situations as allowed by (3) below counts as part of the 100 hours per calendar year.

(i) Emergency stationary RICE may be operated for maintenance checks and readiness testing, provided that the tests are recommended by federal, state or local government, the manufacturer, the vendor, the regional transmission organization or equivalent balancing authority and transmission operator, or the insurance company associated with the engine. The permittee may petition the Technical Secretary for approval of additional hours to be used for maintenance checks and readiness testing, but a petition is not required if the permittee maintains records indicating that federal, state, or local standards require maintenance and testing of emergency RICE beyond 100 hours per calendar year.

(ii) Emergency stationary RICE may be operated for emergency demand response for periods in which the Reliability Coordinator under the North American Electric Reliability Corporation (NERC) Reliability Standard EOP–002–3, Capacity and Energy Emergencies (incorporated by reference, see § 63.14), or other authorized entity as determined by the Reliability Coordinator, has declared an Energy Emergency Alert Level 2 as defined in the NERC Reliability Standard EOP–002–3.

(iii) Emergency stationary RICE may be operated for periods where there is a deviation of voltage or frequency of 5 percent or greater below standard voltage or frequency.

(3) Emergency stationary RICE located at area sources of HAP may be operated for up to 50 hours per calendar year in non-emergency situations. The 50 hours of operation in non-emergency situations are counted as part of the 100 hours per calendar year for maintenance and testing and emergency demand response provided in (2) above. Except as provided in (i) and (ii) below, the 50 hours per year for nonemergency situations cannot be used for peak shaving or non-emergency demand response, or to generate income for the facility to an electric grid or otherwise supply power as part of a financial arrangement with another entity.

(i) Prior to May 3, 2014, the 50 hours per year for non-emergency situations can be used for peak shaving or nonemergency demand response to generate income for the facility, or to otherwise supply power as part of a financial arrangement with another entity if the engine is operated as part of a peak shaving (load management program) with the local distribution system operator and the power is provided only to the facility itself or to support the local distribution system.

(ii) The 50 hours per year for nonemergency situations can be used to supply power as part of a financial arrangement with another entity if all of the following conditions are met:

A. The engine is dispatched by the local balancing authority or local transmission and distribution system operator.

B. The dispatch is intended to mitigate local transmission and/or distribution limitations so as to avert potential voltage collapse or line overloads that could lead to the interruption of power supply in a local area or region.

C. The dispatch follows reliability, emergency operation or similar protocols that follow specific NERC, regional, state, public utility commission or local standards or guidelines.

D. The power is provided only to the facility itself or to support the local transmission and distribution system.

E. The permittee identifies and records the entity that dispatches the engine and the specific NERC, regional, state, public utility commission or local standards or guidelines that are being followed for dispatching the engine. The local balancing authority or local transmission and distribution system operator may keep these records on behalf of the engine owner or operator.

(f) Pursuant to 40 CFR §63.6655(e), the permittee must keep records of the maintenance conducted on the stationary RICE in order to demonstrate that the engine and after-treatment control device (if any) were operated and maintained according to the maintenance plan.

(g) Pursuant to 40 CFR §63.6655(f), the permittee must keep records of the hours of operation of the emergency engine that is recorded through the non-resettable hour meter. The permittee must document how many hours are spent for emergency operation, including what classified the operation as emergency and how many hours are spent for non-emergency operation. If the engine is used for emergency demand response operation, the permittee must keep records of the notification of the emergency situation, and the time the engine was operated as part of demand response. These logs must be maintained at the facility and kept available for inspection by the Technical Secretary or his representative. These logs must also retained for a period of not less than five (5) years.

12. On the permit application dated March 4, 2014, the permittee stated this is an emergency generator; therefore based on EPA's policy the potential emissions were calculated using 500 hours per calendar year.

13. Visible emissions from this source shall not exhibit greater than twenty percent (20%) opacity, except for one (1) six-minute period in any one (1) hour period, and for no more than four (4) six-minute periods in any twenty-four (24) hour period. Visible emissions from this source shall be determined by EPA Method 9, as published in the current 40 CFR 60, Appendix A (six-minute average).
TAPCR 1200-03-05-.03(6) and TAPCR 1200-03-05-.01(1)

14. This source shall operate in accordance with the terms of this permit and the information submitted in the approved permit application dated March 4, 2014.

15. This permit is valid only at this location.

16. The permittee shall apply for renewal of this permit not less than sixty (60) days prior to the permit expiration date, pursuant to Division Rule 1200-03-09-.02(3).

(End of conditions)